

Message Text

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43

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 SSO-00 NSCE-00

USIE-00 INRE-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 PRS-01 SP-02 OMB-01 XMB-02 /105 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 3372

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD GATT FR

SUBJECT: FRENCH EXPORT INSURANCE SCHEME: GATT ACTION

REF: A. STATE 124308; B. GENEVA 3522

1. AS MATTER OF COURTESY, WE INFORMED LOCAL EC REP (LUYTEN) OF U.S. INTENTION RAISE FRENCH EXPORT INSURANCE SCHEME UNDER OTHER BUSINESS AT JUNE 2 GATT COUNCIL. HE EXPRESSED DOUBT ABOUT PROPRIETY OF RAISING SCHEME WHICH HAD BEEN IN EXISTENCE FOR MANY YEARS ON SHORT NOTICE UNDER OTHER BUSINESS. WE WERE OBLIGED TO AGREE THAT "OTHER BUSINESS" ITEM HAD BEEN OVER-USED AT RECENT GATT COUNCIL MEETINGS, AND THAT MORE PROFITABLE DISCUSSIONS OCCUR WHEN MATTERS INSCRIBED ON REGULAR AGENDA IN ACCORD STANDARD GATT
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RULES. (SPECIFIC RECENT TROUBLESOME EXAMPLE WAS LENGTHY BRAZILIAN

ATTACK ON U.S. COUNTERVAILING ACTION ON SHOES AT GATT COUNCIL MEETING WITH ONLY 1/2 HOUR ADVANCE NOTICE TO US.) LUYTEN SUGGESTED BEST PROCEDURE WOULD BE FOR US TO FORMALLY REQUEST NOTIFICATION OF FRENCH SCHEME BY MEANS OF LETTER TO HIM (SINCE COMMUNITY HAS RESPONSIBILITY FOR TRADE MATTERS) WITH COPY TO LOCAL FRENCH REP. HE SUGGESTED WE COULD THEN FORMALLY HAVE MATTER PUT ON SUBSEQUENT GATT COUNCIL AGENDA FOR DISCUSSION IF WE DID NOT GET ADEQUATE RESPONSE TO OUR LETTER. WE TOLD LUYTEN THAT PROBLEM WITH THIS WAS THAT WHILE OUR INSTRUCTIONS FOR JUNE 2 COUNCIL SPECIFICALLY MENTIONED FRENCH SCHEME, THEY ALSO RELATED TO OUR DESIRE THAT "OTHER SIMILAR SCHEMES BE NOTIFIED." (REFTELS A. AND B.) ACCORDINGLY, WE SUGGESTED THAT APPROPRIATE PROCEDURE MIGHT BE FOR US TO RAISE MATTER IN COUNCIL AS GENERAL ISSUE AND DEAL WITH SPECIFIC FRENCH ASPECT BY MEANS OF LETTER AS PROPOSED LUYTEN, RESERVING RIGHT TO PUT FRENCH SCHEME ON AGENDA FOR SUBSEQUENT COUNCIL MEETING IF NECESSARY.

2. UNLESS INSTRUCTED OTHERWISE BY JUNE 2, WE WILL ASSUME U.S. AGREEABLE TO PROCEEDING AS ABOVE, AND WE WILL NOT REFER SPECIFICALLY TO FRENCH SCHEME IN OUR JUNE 2 COUNCIL STATEMENT. WE WILL THEN SEND LETTER TO LUYTEN ASKING FOR NOTIFICATION OF FRENCH SCHEME WITH COPY TO FRENCH DELEGATION. LETTER WOULD NOTE THAT GOF FOR SOME TIME HAS HAD EXPORT INSURANCE SCHEME INVOLVING LARGE OUT-PAYMENTS TO EXPORTERS, THAT WE CONSIDER SCHEME TO BE SUBSIDY AND SHOULD ACCORDINGLY BE NOTIFIED TO GATT. LETTER WOULD ALSO STATE THAT WE CONSIDER SCHEME MAY COUNTRAVENE GATT ARTICLE XVI:4 AND RESERVE OUR RIGHT TO DEAL WITH MATTER FURTHER IN GATT AT LATER TIME EITHER IN ACCORD NORMAL PROCEDURES OR IN CONTEXT MTN. WE WILL NOT PLAN SEND LETTER UNTIL JUNE 5 TO GIVE ADDRESSEES MORE TIME FOR ANY COMMENTS THEY MAY HAVE ON FORMULATION OF LETTER.

3. WE HOPE THIS COURSE OF PROCEEDING WILL ASSIST FORCES IN COMMISSION OPPOSING FRNECH AND PROPOSED U.K. EXPORT INSURANCE SCHEMES AS VIOLATION OF ROME TREATY PROVISIONS CONCERNING TRADE DISTORTING MEASURES.

4. WE WILL ALSO INFORMALLY MAKE POINT TO GATT SECRETARIAT THAT FUTURE MEETINGS SHOULD BE SCHEDULED SUFFICIENTLY FAR IN ADVANCE TO GIVE DELEGATIONS ADEQUATE TIME TO HAVE ITEMS INSCRIBED ON FORMAL AGENDA.

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Message Attributes

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